

AMENDED IN ASSEMBLY MARCH 29, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 915

Introduced by Assembly Member Hernandez

February 22, 2007

An act to amend Section 14407.1 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 915, as amended, Hernandez. Medi-Cal managed care.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which basic health care services are provided to qualified low-income persons. Existing law provides that a Medi-Cal managed care health plan contractor that has entered into a contract with the department may offer nonmonetary incentives to promote good health practices by Medi-Cal enrollees, if approved by the department.

This bill would specifically require approval by the department of *nonmonetary* incentives given to encourage enrollees to ~~use preventive care services, as specified, and would limit incentives for other purposes to those having a nominal value, as defined~~ *engage in good health practices. It would, however, in the absence of countervailing considerations, require the department to approve nonmonetary incentives for health education, as defined, and nonmonetary incentives of nominal value that are not related to health education.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 14407.1 of the Welfare and Institutions Code is amended to read:

14407.1. (a) A contractor that has entered into a contract with the department under this chapter, or under any other Medi-Cal managed care contracting authority, may offer nonmonetary incentives to promote good health practices by Medi-Cal enrollees.

(b) No Medi-Cal managed care contractor may offer any incentive to promote good health practices by Medi-Cal enrollees prior to written approval by the department. In the absence of other countervailing considerations, the department shall approve, *and provide reimbursement for*, the following:

~~(1) Incentives given to individuals to encourage them to use preventive care services~~

(1) Nonmonetary incentives for health education whose delivery is not linked to the provision of other Medi-Cal reimbursable services. As used in this subdivision, ~~“preventive care services” is limited to services that are described in the current United States Preventive Services Task Force’s Guide to Clinical Preventive Services and are reimbursable in whole or in part under the Medi-Cal program.~~ *subdivision “health education” includes all of the following:*

(A) The use of managed health care services, including preventive and primary care services, obstetrical care, and health education services.

(B) Achieving and maintaining healthy lifestyles and treatment therapies and positive health outcomes.

(C) Following self-care regimens and treatment therapies for existing medical conditions, chronic diseases, or health conditions.

~~(2) Incentives~~ *Nonmonetary incentives* that are nominal in value for services not related to ~~preventive care~~ *health education*. As used in this subdivision, “nominal in value” means items with a value not greater than ten dollars (\$10) individually nor more than fifty dollars (\$50) on an annual basis.

(c) If a contractor is a publicly operated entity, the offering of a department-approved, nonmonetary incentive to promote good health practices by enrollees shall not constitute a gift of public funds.

- 1 (d) Violations of this section shall be subject to the requirements
- 2 and penalties set forth in Sections 14408 and 14409, and any
- 3 regulations adopted by the department pursuant to this article.

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